

# Best's News

[BEST'S CREDIT RATING ACTION](#)

Best's News & Research Service - April 02, 2025 10:34 AM (EDT)

## AM Best Upgrades Credit Ratings of FAIR Oil & Energy Insurance Syndicate

April 02, 2025 10:34 AM (EDT)



//BestWire// - **AM Best** has upgraded the Financial Strength Rating to B++ (Good) from B+ (Good) and the Long-Term Issuer Credit Rating to “bbb” (Good) from “bbb-” (Good) of FAIR Oil & Energy Insurance Syndicate (the Syndicate or FOEIS) (Bahrain). The outlook of these Credit Ratings (ratings) has been revised to stable from positive.

The ratings reflect the Syndicate’s balance sheet strength, which AM Best assesses as strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

The rating upgrades reflect the steady enhancements over recent years made by the Syndicate to improve its balance sheet strength fundamentals, notably through increased risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR). These were achieved in part by robust capital generation, in addition to the de-risking and diversification of its investment portfolio and retrocession panel. In addition, the Syndicate has taken steps to strengthen the permanence of its capital, achieved through the annual retention of surplus and regular transfer of retained earnings to its general reserve which may not be distributed to members.

The Syndicate is one of four reinsurance vehicles formed by the Federation of Afro-Asian Insurers and Reinsurers (FAIR), with a remit to underwrite energy business. FOEIS’ members are drawn from participants of FAIR, who subscribe to the Syndicate’s units of capacity. As at year-end 2024, the Syndicate consisted of 20 members from across the Africa, Middle East and Asia regions. Whilst unique in its legal structure, the Syndicate operates like a traditional reinsurer, providing capacity and expertise to its members as well as third-party cedants.

The Syndicate’s underwriting performance has been consistently profitable, except in 2019, when it suffered the only operating loss of its 25-year history. This was an exceptional year, owing to several large underwriting losses coupled with the establishment of a provision of doubtful debt following sanctions that were imposed by the United States in late 2018. Results have recovered since 2019, evidenced by net loss ratios consistently below 50%. Preliminary results for 2024 show continued positive earnings, with a net surplus of USD 4.3 million, equivalent to a return on equity of 10%.

Although limited in size, the Syndicate benefits from a niche business profile, having built a good reputation within the energy insurance market. Whilst FOEIS is concentrated by line of business, the Syndicate benefits from diversification through the geographical spread of its portfolio. FOEIS’ stable member base provides it with good access to energy risks across the Afro-Asian territories, supplemented by business written on the open market across the region.

**This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).**

**AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.**

Press Release

Best's Credit Rating Action

[BEST'S CREDIT RATING ACTION](#)

**AM Best Assigns Issue Credit Rating to Intact Financial Corporation’s Senior Unsecured Medium-Term Notes**

Apr 02, 2025 10:15 AM (EDT)

[SPECIAL REPORT](#)

**Best’s Special Report: U.S. Life/Annuity Industry Sees 13% Net Income Decline in 2024**

Apr 02, 2025 08:39 AM (EDT)

[ECONOMIC ISSUES](#)

**Industry Watchers: Insurers Likely Need Rate Hikes to Cover Costs of New Tariffs**

Apr 01, 2025 04:20 PM (EDT)

[SALES ILLUSTRATIONS](#)

**NAIC Group Looking to Amend Rules on Life Insurance Policy Performance Illustration**

Apr 01, 2025 04:08 PM (EDT)

[MERGERS AND ACQUISITIONS](#)

**StanCorp Completes \$2 Billion Acquisition of Allstate Employer Benefits Business**

Apr 01, 2025 03:18 PM (EDT)

- [Last 24 Hours](#)
- [Last 7 Days](#)
- [Last 30 Days](#)
- [Custom Range](#)

- 1

[BEST'S CREDIT RATING ACTION](#)  
**AM Best Upgrades Credit Ratings of Peace Hills General Insurance Company.**  
Nov 12, 2024 11:00 AM (EST)
- 2

[BEST'S CREDIT RATING ACTION](#)  
**AM Best Removes From Under Review With Negative Implications and Affirms Credit Ratings of The Pie Insurance Company and Pie Casualty Insurance Company.**  
Mar 27, 2025 09:50 AM (EDT)
- 3

[LIFE AND ANNUITY INSURANCE](#)  
**American National to Stop Writing New Life Insurance Policies in Business Pivot**  
Mar 27, 2025 02:15 PM (EDT)
- 4

[MERGERS AND ACQUISITIONS](#)  
**Japan's MS&AD to Take 15% Stake in W.R. Berkley Valued at \$3.8 Billion**  
Mar 28, 2025 01:40 PM (EDT)
- 5

[NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS](#)  
**NAIC Task Force Proposes Limiting RBC Ratio Disclosure**  
Mar 26, 2025 04:50 PM (EDT)

Related Companies

AMB#	Company Name
094316	<a href="#">FAIR Oil &amp; Energy Insurance Syndicate</a>

[BEST'S CREDIT RATING ACTION](#)

**AM Best Revises Outlooks to Positive for FAIR Oil & Energy Insurance Syndicate**

May 16, 2024 11:48 AM (EDT)

[BEST'S CREDIT RATING ACTION](#)

**AM Best Affirms Credit Ratings of FAIR Oil & Energy Insurance Syndicate**

Apr 21, 2023 08:41 AM (EDT)

[BEST'S CREDIT RATING ACTION](#)

**AM Best Affirms Credit Ratings of FAIR Oil & Energy Insurance Syndicate**

Apr 07, 2022 12:15 PM (EDT)

[BEST'S CREDIT RATING ACTION](#)

**AM Best Affirms Credit Ratings of FAIR Oil & Energy Insurance Syndicate**

Mar 17, 2021 02:12 PM (EDT)

**AM Best Affirms Credit Ratings of FAIR Oil & Energy Insurance Syndicate**

Feb 21, 2020 10:34 AM (EST)

➤ **More Related Company News**

[To Submit News go to - https://www.ambest.com/bestweek/submitnews.html](https://www.ambest.com/bestweek/submitnews.html)

Contact
Locations

- Accessibility Statement
- Cookie Notice
- Legal & Licensing
- Privacy Notice
- Regulatory Information
- Site Map
- Terms of Use

Copyright © 2025 A.M. Best Company, Inc. and/or its affiliates. All rights reserved.

